

For Translation Purposes Only

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(Securities Code: 3234)
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MHR Announces Split of Investment Units, Partial Amendment of the Articles of Incorporation and Revision of Forecast for Dividend per Unit

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced it has resolved at its Board of Directors Meeting held today, to implement a split of investment units as well as a partial amendment of the Articles of Incorporation, as follows.

In addition, MHR has decided to revise its forecast for dividend per unit for the sixteenth fiscal period ending July 2014 (February 1, 2014 to July 31, 2014), which was originally announced on August 19, 2013, in accordance with the split of investment units, as follows.

1. Purpose of Split

MHR aims to expand the investor base and improve the liquidity of its investment units by creating an environment favorable to investors by lowering the per/unit market price of investment units in line with the introduction of the Japanese version of the Individual Savings Account (NISA) on January 1, 2014.

2. Overview of Split

(1) Method of split

With January 31, 2014 (Friday) established as the reference date, MHR will implement a 5-for-1 split of MHR’s investment units owned by unitholders indicated or recorded on that date’s final unitholder registry.

(2) Increase in Number of Investment Units through Split

| | | |
|---|---|------------------|
| a) Number of investment units issued and outstanding before split | : | 276,985 units |
| b) Increase in number of investment units through split | : | 1,107,940 units |
| c) Number of investment units issued and outstanding after split | : | 1,384,925 units |
| d) Total number of investment units authorized after split | : | 10,000,000 units |

(3) Schedule of Split

| | | |
|---|---|--|
| a) Public announcement date of the reference date | : | January 15, 2014 (Wednesday) (planned) |
| b) Reference date | : | January 31, 2014 (Friday) |
| c) Effective date | : | February 1, 2014 (Saturday) |
| d) New record date | : | February 3, 2014 (Monday) |

3. Partial Amendment of the Articles of Incorporation

(1) Reasons for Amendment

Partial amendment of MHR's Articles of Incorporation will be implemented in order to increase the total number of investment units authorized in accordance with the ratio of investment units split based on the stipulation of Article 184 Paragraph 2 of the Companies Act which is applied mutatis mutandis pursuant to Article 81-3 Paragraph 2 of the Act on Investment Trusts and Investment Corporations.

(2) Details of Amendment

The details of the amendment are as follows:

(amended parts are underlined)

| Before Amendment | After Amendment |
|--|---|
| Article 5 (Total number of investment units authorized, etc.) | Article 5 (Total number of investment units authorized, etc.) |
| 1. Total number of MHR's investment units authorized shall be <u>2 million units</u> . | 1. Total number of MHR's investment units authorized shall be <u>10 million units</u> . |

(3) Schedule of Amendment

Effective date of amendment: February 1, 2014 (Saturday)

4. Revision of Forecast for Dividend

With the 5-for-1 split of investment units, MHR will revise the forecast for dividend per unit for the sixteenth fiscal period ending July 2014 (February 1, 2014 to July 31, 2014) announced as of August 19, 2013, from 10,700 yen to 2,140 yen (one-fifth), in accordance with the 5-for-1 split of investment units. There are no revisions to operating revenue, operating income, ordinary income, net income, etc. for the fiscal period ending July 2014.

Furthermore, there are no revisions to the forecast for dividend per unit of 10,000 yen for the fifteenth fiscal period ending January 2014 (August 1, 2013 to January 31, 2014) because the effective date of the investment unit split will be February 1, 2014.

Revision to the Forecast of Financial Results for the Sixteenth Fiscal Period Ending July 2014 (February 1, 2014 to July 31, 2014)

| | Operating Revenue | Operating Income | Ordinary Income | Net Income | Dividend per Unit (excluding dividend in excess of earnings) | Dividend in Excess of Earnings per Unit | Number of Investment Units Issued and Outstanding at End of Period |
|--|-------------------|-------------------|-------------------|-------------------|--|---|--|
| Previous forecast (A) | 5,780 million yen | 3,874 million yen | 2,964 million yen | 2,963 million yen | 10,700 yen | 0 yen | 276,985 units |
| Revised forecast (B) | 5,780 million yen | 3,874 million yen | 2,964 million yen | 2,963 million yen | 2,140 yen | 0 yen | 1,384,925 units |
| Difference (B) – (A) | – | – | – | – | (8,560 yen) | – | 1,107,940 units |
| Rate of increase/decrease | – | – | – | – | (80.0%) | – | 400.0% |
| (Reference) Performance forecast for fiscal period ending January 2014 | 5,617 million yen | 3,800 million yen | 2,770 million yen | 2,769 million yen | 10,000 yen | 0 yen | 276,985 units |

(Note) The forecasts above have been calculated as of today based on certain assumptions. Therefore, actual operating revenue, operating income, ordinary income, net income, dividend per unit, dividend in excess of earnings per unit and number of investment units issued and outstanding at end of period may change due to changes in the situation. In addition, the above forecasts do not guarantee dividend amount. Furthermore, as for the figures, monetary amounts are rounded down and percentage figures are rounded off.

- This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- MHR's website address is <http://www.mori-hills-reit.co.jp/>